

## RULE AND REGULATION 31

### EDUCATIONAL REQUIREMENTS FOR INSURANCE AGENTS

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#### SECTION 1. PURPOSE

The purpose of this rule and regulation ("rule") is to implement Act 534 of 1983, as amended, by establishing curricula for courses of instruction required to be completed by applicants seeking insurance licenses in Arkansas, to establish criteria for approval of providers of the courses of instruction, to establish a mechanism of examination and review of the performance and quality of the instruction and to delineate the areas of responsibility of the Insurance Advisory Examining Board.

#### SECTION 2. AUTHORITY

This rule is used pursuant to the authority vested in the Commissioner under Ark. Code Ann. Sections 23-61-108, 23-74-101, et seq., 23-75-101, et seq., 23-76-101, et seq., 25-15-202, et seq., and Act 534 of 1983, as amended, and codified as Sections 23-64-201, et seq.

#### SECTION 3. APPLICABILITY AND SCOPE

This rule shall apply to all applicants seeking a license as an insurance agent, broker, solicitor, and consultant, and seeking a license as a health maintenance organization ("HMO") agent, except those specifically exempted pursuant to the provisions of Arkansas law, and seeking a license as a fraternal benefit society agent except those specifically exempted pursuant to the provisions of Arkansas law. This rule is intended to complement the provisions of Rule and Regulation 5, "Agent License for Health Maintenance Organizations", and is not intended to supersede Rule and Regulation 35.

#### SECTION 4. EFFECTIVE DATE

This rule shall be effective December 30, 1991.

## SECTION 5. COURSE REQUIREMENTS

- A. All candidates for an Arkansas life and/or disability agent's license, for a health maintenance organization agent's license and for a fraternal benefit society agent's license are hereby required to complete a course of instruction with a minimum of 36 hours of classroom instruction which includes, but is not limited to, all of the following, as applicable:
1. Introduction to Insurance
  2. State Insurance Regulations (Not Less Than Five Hours)
  3. Life Insurance Basics
  4. Life Insurance Policies and Policy Provisions
  5. Life Insurance Policy Options ("Settlement") and Annuities
  6. Health Insurance Basics
  7. Health Insurance Policy Provisions
  8. Disability Income Insurance
  9. Medical Expense Insurance - Including Medicare Supplement Ins.
- B. All candidates for a property and casualty license as agent, broker, solicitor, or consultant are hereby required to complete a course of instruction with a minimum of 36 hours of classroom instruction which includes, but is not limited to, all of the following:
1. Introduction to Insurance and Laws Governing Insurance
  2. State Insurance Regulations (Not Less Than Five Hours)
  3. Fire and Allied Lines
  4. Homeowners Policies and Other Multiple-Line Products
  5. National Flood Insurance
  6. Ocean and Inland Marine Insurance
  7. Crop Insurance
  8. General Liability Insurance
  9. Automobile Insurance and Assigned Risk Plan
  10. Workers' Compensation and Assigned Risk Plan
  11. Commercial Crime Insurance and Fidelity Bonds

## 12. Surety Bonds

- C. Any applicant for life, disability, HMO and/or fraternal benefit society license and the property/casualty agent's license may combine the five hours of instruction on state regulation.

## SECTION 6. INSTRUCTOR QUALIFICATIONS

- A. Instructors must have had specific insurance training or educational experience satisfactory to the Insurance Advisory Examining Board and approved by the State Insurance Commissioner in order to be certified to teach any part of an approved course. Each instructor must have five (5) or more years of specific insurance experience and/or education in each part of the insurance training program in which he instructs and must be approved prior to teaching any course, or any part of a course, by the Insurance Advisory Examining Board and the Insurance Commissioner. Applicants for approval as an instructor shall complete and submit Appendix 4 to the Insurance Advisory Examining Board c/o Arkansas Insurance Department.
- B. No person will be approved as an instructor who has received disciplinary action by the Arkansas Insurance Department, the Insurance Department of another state, or any similar regulatory body or court. The Commissioner shall have the authority to waive this requirement after a hearing to determine the applicant's qualifications.

## SECTION 7. PROVIDER REQUIREMENTS

- A. Application for approval as a provider shall be submitted to the Insurance Advisory Examining Board c/o Arkansas Insurance Department not less than sixty (60) days prior to the expected use of the program. A provider shall include the following information in duplicate:
  - 1. Detailed description of the instruction program including a course outline and list of resource materials.
  - 2. Completion of Appendix 1 for the initial certification or completion of Appendix 2 upon any change in curriculum or instructor.
  - 3. Schedules of classes for all locations.
- B. Changes in class schedules are to be filed with the Insurance Department no later than two (2) weeks before each class begins.
- C. The Board may consider the type of facility to be used for training, the sufficiency of teaching aids, and the exclusive use of that portion of the facility being used for training in making a determination to certify the provider.

- D. The provider shall maintain detailed attendance records for all students for all classes for three (3) years following completion of the classes. Rosters of attendees, including courses completed and completion dates, shall be maintained as a permanent record by course providers. These records may be reviewed by the Commissioner and the Board. In this regard, any studying which is not conducted under the direct supervision of the instructor at the facility during scheduled classes may not be credited toward completion of the required thirty-six (36) hours.

#### SECTION 8. PROGRAM REVIEW

The Board and the Department shall have the authority to visit a training facility and review its program at any time, including, but not limited to, curriculum records, and attendance records.

#### SECTION 9. LICENSING PROCEDURE OF APPLICANT

- A. The required hours of classroom instruction may be completed prior to the date of the licensing examination, but not later than sixty (60) days after the license is issued. If the applicant fails to complete the required classroom instruction within sixty (60) days of licensing, the applicant will be required to apply as if he had never taken the insurance examination.
- B. The instructor or designated official of the provider is responsible for transmitting the certification of completion of required hours to the Insurance Department immediately upon the applicant's completion of the course. The instructor or designated official of the provider shall complete an original and one copy of each individual certification, Appendix 3 or Appendix 3A, and forward such to the Insurance Department with a self-addressed stamped envelope. The Insurance Department will return a copy indicating proof of receipt to the instructor or designated official of the provider. Failure of the instructor or the designated official of the provider to file the certification within the time required will be considered a violation of this Regulation.
- C. Each individual certification must be on the form as shown in Appendix 3 or Appendix 3A and must be signed by the applicant and the instructor or designated official of the provider where more than one instructor is used. The Insurance Department must actually receive certification within sixty-five (65) days of the date the license is issued.

If the required certification is not received by the Insurance Department within sixty-five (65) days of the issuance of license, the license will be terminated. In such case where the applicant has actually completed the required classroom instruction within sixty (60) days of licensing, but the certification is not received by the Insurance Department within the required sixty-five (65) days, the course provider must pay any reappointment fees required prior to reissuance of the license.

SECTION 10. COMPLETION OF COURSE REQUIREMENTS

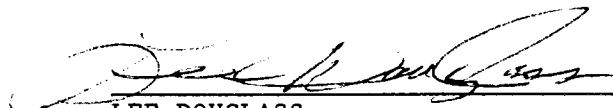
Educational requirements must be completed no more than two (2) years prior to taking the license exam for course certification to be valid.

SECTION 11. VIOLATIONS

Pursuant to the Administrative Procedure Act and this rule, approval of instructors and providers of instruction courses may be suspended or revoked for violations of this rule and pertinent provisions of the Arkansas Insurance Code upon notice and hearing.

SECTION 12. SEVERABILITY

Any section or provision of this rule held by a court to be invalid or unconstitutional will not affect the validity of any other section or provision of this rule.



LEE DOUGLASS  
INSURANCE COMMISSIONER

12-30-91

DATE